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Review of the efficiency of the administrative and financial functioning of the United Nations

Sixth progress report on the accountability system in the United Nations Secretariat

Report of the Secretary-General

Summary

The Secretary-General has the honour to transmit to the General Assembly a report on progress made towards the implementation of the accountability system in the United Nations Secretariat, as requested by the Assembly in its resolution 70/255. The report highlights several critical components that have been strengthened over the past year in areas related to internal controls, including: progress made in the implementation of the enterprise risk management framework; the finalization of the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat; progress made in the implementation of a statement on internal control, in internal controls in the procurement process and in accountability in field missions; and improvements related to ethics and integrity and in the performance assessment of the Secretariat's personnel. The report also describes how the major transformational projects implemented in recent years continue to increase the visibility of crucial information in the area of common support services, and how that can foster better management and stronger accountability.

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I. Introduction

1. The present progress report on accountability includes information on the work undertaken by the Secretariat during the past year to strengthen areas related to its system of internal control, as well as some of the additional actions in this respect that need to be taken in the future. The system of internal control of the United Nations is designed to provide reasonable assurance with regard to adequate resource utilization, the safeguarding of assets, reliable financial reporting and compliance with relevant regulations, rules and policies. The report also explains how some of the changes introduced by the major transformational initiatives, such as increasing the visibility of the financial transactions of the Organization, are fostering increased accountability and better management.

2. In recent years, the United Nations Secretariat has successfully implemented major change/business transformation initiatives, such as the International Public Sector Accounting Standards (IPSAS), the global field support strategy, the managed mobility system, Umoja and the capital master plan. Those initiatives, while providing the opportunity to apply best management practices in various areas of operation and to improve service delivery, have also introduced myriad changes in the way the Organization works.

3. For example, end-to-end process management is one of the most significant changes brought about by the implementation of Umoja. It requires the Organization to adopt a horizontal, cross-functional view of its administrative tasks in order to fully achieve its objectives of improving productivity, lowering costs, reducing lead times, increasing transparency and enhancing the quality of services. It is a new way of working with increased specialization. It provides a major opportunity for the consistent interpretation and application of all regulations, rules, policies and principles related to the management of resources, increasing staff expertise in the processing of transactions and reducing the number of errors.

4. While prioritizing the full deployment and stabilization of Umoja in 2016, the Secretariat recognized the existing linkages between the ongoing transformational projects and the Organization's accountability structure as well as its system of internal control.

5. As mentioned above, the system of internal control of the United Nations is designed to provide reasonable assurance with regard to adequate resource utilization, the safeguarding of assets, reliable financial reporting and compliance with relevant regulations, rules and policies. Properly designed and functioning controls reduce the likelihood that significant errors or wrongdoing will occur or remain undetected.

6. It is widely understood in the Secretariat that, following an intense period of modernization and change, a series of tasks lie ahead in terms of change management, ensuring accountability and strengthening the system of internal control, and taking on such tasks will be a challenge. In that regard, it is worth noting that the Secretariat continues to benefit from the observations and recommendations of oversight bodies, particularly in respect of all completed and ongoing transformational projects.

II. Accountability and the strengthening of internal controls: a continuous process

7. As the objectives, standards and processes of the United Nations evolve over time, strengthening its accountability system and the internal control framework remains a continuous process for which there is neither a predetermined finish line nor a set path to follow. Nevertheless, significant progress has been made in recent years towards that end, and at this juncture three important milestones are worth noting.

(a) **Definition of accountability:** at the sixty-fourth session of the General Assembly, the Secretary-General submitted his report entitled "Towards an accountability system in the United Nations Secretariat" (A/64/640). The Secretary-General's proposals submitted in that report led to the adoption of a definition of accountability for the Secretariat by Member States. The definition included the main components of the Secretariat's accountability system, and the decision of the Assembly set a clear path for strengthening each of those components. The Secretariat has since been reporting on the progress made towards that end through its annual accountability reports;

(b) **Policy framework for enterprise risk management:** a policy framework for the implementation of enterprise risk management in the Secretariat was approved by the Management Committee in May 2011 and submitted to the General Assembly through the report of the Secretary-General on progress towards an accountability system in the United Nations Secretariat (A/66/692), issued in 2012. The Assembly, in its resolution 66/257, welcomed the progress made by the Secretary-General towards the development of the enterprise risk management framework. Subsequently, an enterprise risk management methodology and a governance structure were established that allowed for the implementation of a Secretariat-wide risk assessment. Action plans to mitigate the risks identified through the assessment were developed and are being implemented, as explained in the paragraphs below;

(c) **Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat:** a critical element of any accountability system is an anti-fraud and anti-corruption framework, which was missing until recently. The Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat was issued in September 2016 to reinforce the Organization's commitment to building an anti-fraud culture and maintaining high ethical standards. The Framework guides staff members on the proper methods for reacting to and handling cases of presumptive fraud, and serves as a deterrent for those tempted by an opportunity to commit fraud or engage in corrupt acts.

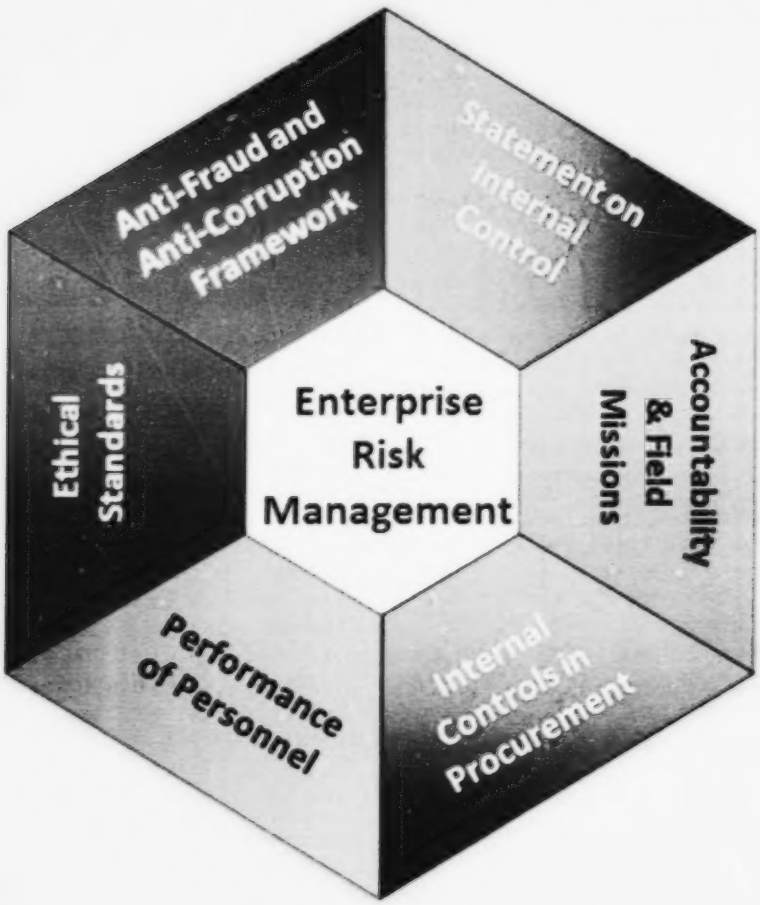
III. Progress made in strengthening internal controls

8. Enterprise risk management focuses on the Organization's risks and is at the core of the Secretariat's efforts to identify the main areas that require the strengthening of internal controls. Enterprise risk management fully incorporates the internal control system; it does not replace that system. It provides the Organization

with an ability to move progressively towards risk-driven management, once the appropriate internal control systems have been put in place.

9. During the reporting period, actions were taken to strengthen accountability in seven key areas of management, as illustrated in the figure below: (a) enterprise risk management; (b) the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat; (c) the statement on internal control; (d) internal controls in the procurement process; (e) accountability and field missions; (f) ethical standards; and (g) the performance of personnel. Progress made in each of these areas is briefly described in the paragraphs below.

Seven key management areas



A. Enterprise risk management

10. The Management Committee identified six critical organization-wide risks in 2015 requiring priority in terms of the development of related risk treatment plans: (a) organizational structure and synchronization; (b) organizational transformation; (c) strategic planning and budget allocation; (d) safety and security; (e) extrabudgetary funding and management; and (f) human resources strategy, management and accountability. Those risks were presented to Member States in the context of the fourth progress report of the Secretary-General on the accountability system in the United Nations Secretariat (A/69/676). Subsequently, action plans for mitigating them were developed and the implementation of the action plans was assigned to the designated corporate risk owners. The progress made by the Organization in mitigating these risks during the reporting period is detailed below.

Risk 1: Organizational structure and synchronization (corporate risk owner: Deputy Secretary-General)

11. Opportunities provided by the three peace and security reviews (peace operations; peacebuilding; and women and peace and security), the World Humanitarian Summit and the adoption of the 2030 Agenda for Sustainable Development and other key agendas (the Sendai Framework for Disaster Risk Reduction 2015-2030, the Addis Ababa Action Agenda of the Third International Conference on Financing for Development and the Paris Agreement) continued to be used to raise the awareness of Member States about areas in which the Secretariat's structure might not be aligned with its objectives. Discussions on making the United Nations development system fit for purpose, as well as the identification of synergies, including a forthcoming review of agencies, funds and programmes and a conflict prevention strategy, are under way.

12. Some actions were taken to reduce the existing "silo mentality" resulting from the Secretariat's structure and to improve coordination, such as the refinement of the 2016/17 compact templates for senior managers at peacekeeping missions to better reflect the multiple responsibilities of heads of offices.

Risk 2: Organizational transformation (corporate risk owner: Under-Secretary-General for Management)

13. In respect of a vision and a target operating model for the Organization, the framework for a global service delivery model was submitted to the General Assembly at its seventieth session (see A/70/323). A refined and detailed proposal of the Secretary-General in that regard was also submitted for the consideration of the Assembly at its seventy-first session (see A/71/417). The benefit realization plans for both Umoja and IPSAS are also moving forward as scheduled. On the basis of the Organization's experience and lessons learned, general guidelines for any new transformational project are also under preparation.

14. Additionally, in recognition of the interdependencies of the ongoing transformational initiatives, a detailed common dashboard encompassing all of the initiatives is regularly updated to ensure the integration of initiatives, the alignment of key milestones and the recognition of synergies.

Risk 3: Strategic planning and budget allocation
(corporate risk owner: Chef de Cabinet of the Secretary-General)

15. The proposed biennial programme plan for the period 2018-2019, submitted to the Committee for Programme and Coordination, was based on an intense process of internal consultations within the Secretariat. The revised programme plan reflects an increased focus on results and impacts. For the first time, prior to its submission to the General Assembly, the proposed budget outline for 2018-2019 was considered by the Management Committee. The support account budget preparation process was launched through a meeting chaired by the Chef de Cabinet with the heads of all offices concerned. During these meetings, guidance on strategic priorities issued by the Department of Peacekeeping Operations and the Department of Field Support was discussed. The progress made in the availability of increased financial information to management for decision-making is described in section IV below.

16. Further progress in this area is linked to the implementation of Umoja Extension 2, which covers the Secretariat programme planning, budgeting, monitoring and reporting cycle. The first deployment of Extension 2 is planned for August-September 2018, which would cover the peacekeeping budgets for 2019/20, the programme budget for the biennium 2020-2021 and voluntary contribution activities commencing in late 2018 or early 2019.

Risk 4: Safety and security
(corporate risk owner: Under-Secretary-General for Safety and Security)

17. The strategic review of the Department of Safety and Security was completed in 2015, and related recommendations are being implemented. The integration of the security resources of the Secretariat is under way, along with enhanced communication to the field and clear policy guidance on management, human resources and finances. Progress was made in implementing the strategic priorities of the Inter-Agency Security Management Network, such as the increased integration of security management with programme delivery, and the support provided to security decision makers on crisis management. Progress was also made in institutionalizing programme criticality as a system-wide policy.

18. A draft occupational safety and health policy was completed in respect of duty of care, and work is under way to establish an occupational safety and health governance structure for the Secretariat.

Risk 5: Extrabudgetary funding and management
(corporate risk owner: Controller)

19. Preliminary guidelines for the preparation of agreements with donors and implementing partners, including those related to restrictive conditions (e.g., immunities and privileges of the United Nations, a single audit principle, procurement and recruitment), have been issued. A set of minimum required clauses for each agreement have also been established, including those related to donor reports, annual reporting, evaluations and contribution payment terms. Corporate guidance on standard procedures for the selection of implementing partners, clarifying the differences between the process of selecting implementing partners and the procurement process and between implementing partnerships and grants, is

being formulated in consultation with programme managers and the Office of Legal Affairs. Revised policies for the establishment and management of trust funds and relevant administrative instructions are under review by the Office.

Risk 6: Human resources strategy, management and accountability (corporate risk owner: Assistant Secretary-General for Human Resources Management)

20. The report of the Secretary-General entitled "Overview of human resources management reform: towards a global, dynamic, adaptable and engaged workforce for the United Nations" (A/71/323), containing proposals for an integrated human resources strategy, was submitted for the consideration of the General Assembly at its seventy-first session. Subject to the approval of the Assembly, a detailed human resources strategy will be presented at its seventy-third session.

21. A global staff survey is expected to be conducted in April 2017 to assess staff satisfaction and concerns and to create a benchmark against which future progress can be measured. On the basis of the outcomes of the survey, high-level goals and an organizational vision for the Secretariat will be articulated and supported by a comprehensive human resources strategy.

22. For information related to the action plans for mitigating these risks, see annex I.

The way forward

23. While work on the critical risks should continue according to the agreed multi-year plan, in order to serve as an effective managerial and strategic decision-making tool, the risk register should be maintained as a living document that would represent the evolving risk profile of the Organization. The register should, in particular, be able to formally capture emerging priorities through periodic, formal assessments.

24. The updating of the Secretariat-wide enterprise risk assessment will start in 2017. This will provide an opportunity for further dedicated discussions with the new Secretary-General and the new senior management team and for the definition of an updated risk register.

25. To support the implementation of enterprise risk management at the department and office levels, the Secretariat recently developed a practical enterprise risk management guide for managers. The guide includes tools and templates outlining how departments and offices can implement an effective enterprise risk management framework based on common policy and methodology. The guide was formally distributed to all heads of departments by the Under-Secretary-General for Management and was also made available on iSeek. A consistent Organization-wide framework and approach is essential to ensure that results across the Secretariat are comparable and can be consolidated and reported to the Management Committee and governing bodies, as required. Progress regarding the implementation of enterprise risk management at peacekeeping missions is detailed in paragraphs 42-46 below.

26. The implementation of enterprise risk management continues to be supported by a comprehensive communications programme, including an e-learning course available to all staff in Inspira (the personnel management system) and, beginning in

2016, also through the United Nations System Staff College. At the time of reporting, more than 2,000 staff members were enrolled in the course. The communications programme also includes formal and informal presentations, training sessions and workshops in various departments and offices; enterprise risk management and internal control web pages on iSeek; and the enterprise risk management community of practice on Unite Connections, which includes more than 200 practitioners virtually representing all the areas and entities throughout the United Nations system and several other international institutions.

B. Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat

27. The Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat was issued on 15 September 2016. The Framework includes definitions of fraud and corruption as they apply to the Secretariat, together with concrete examples of cases most frequently found in the Organization. It also describes the expectations and responsibilities with respect to the prevention of fraud and corruption for each actor concerned, from the Secretary-General downward; the fraud prevention measures in place in the Secretariat; and the principles guiding third parties in contractual arrangements with the Secretariat, including vendors, suppliers and implementing partners. In addition, it clearly reiterates the Organization's zero-tolerance approach to fraudulent acts committed by Secretariat staff members.

28. The Framework is the cornerstone of an enterprise-wide campaign being carried out in coordination with the Office of Internal Oversight Services and the Ethics Office. It includes the following activities:

(a) The fourth Leadership Dialogue launched by the Executive Office of the Secretary-General and the Ethics Office, on the topic "Fraud awareness and prevention: how do I fit in?". The Dialogue is mandatory for all staff members at all levels and was designed around the main issues included in the Framework;

(b) An e-learning programme on anti-fraud efforts, entitled "Preventing fraud and corruption at the United Nations" and planned by the Ethics Office in coordination with the Office of Internal Oversight Services and the Office of Human Resources Management. The course will be available to all staff starting in the first quarter of 2017;

(c) iSeek stories and anti-fraud pamphlets. The Department of Management, through a story published on iSeek on 15 September 2016, reiterated that combating fraud and corruption is a primary responsibility of management and staff at all levels and requested all staff members to familiarize themselves with the contents of the Framework. In addition, an anti-fraud pamphlet was distributed that emphasized the zero-tolerance approach, the responsibility of the United Nations to protect the anonymity of those reporting fraud, the obligation to report presumptive fraudulent acts, where to report such cases and the disciplinary actions that the Secretariat takes against staff involved in cases of fraud.

29. In addition, on 5 October 2016 the Secretary-General informed all staff members in the Secretariat of the promulgation of the Framework and its purpose

and requested them to make every effort to promote the highest ethical standards for the United Nations.

The way forward

30. To comply with the provisions of General Assembly resolution 70/255, the High-level Committee on Management has put together a task force whose main objective is to work towards a single agreed definition across the United Nations system of what constitutes fraud and suspected or presumptive fraud. The task force, consisting of members from across the entire United Nations system and co-chaired by the Director of the Accounts Division of the Office of Programme Planning, Budget and Accounts of the Department of Management of the Secretariat and the Controller and Director of the Division of Financial and Administrative Management of the Office of the United Nations High Commissioner for Refugees, will also work towards developing a common understanding with a view to establishing partnership arrangements with implementing partners. It started meeting in September 2016.

31. As the Board of Auditors noted in its report on the United Nations (A/71/5 (Vol. I)), the legal framework in place for working with implementing partners in the Secretariat does not flow from the Financial Regulations and Rules of the United Nations. The Secretariat considers these relationships to be primarily substantive and collaborative partnerships. In entering into such partnerships, the United Nations may transfer financial resources to these entities when it is in its best interest to leverage their capacity to implement activities that support or supplement mandated activities. It is not a requisitioning/vendor type of relationship, which is governed by the Financial Regulations and Rules and the Procurement Manual; neither is it a grantor/grantee relationship in which the grantee is provided with resources as aid or assistance to implement programmatic output that is consistent with the Organization's mandate.

32. To face this challenge, the Secretariat will modify its Financial Rules to encompass such activities. Further down the line, it must also define the framework under which such relationships will be managed. This will be done through the issuance of an administrative instruction that will specify, at a minimum, the Secretariat's definition of "implementing partner"; a process for selecting implementing partners that ensures transparency and fairness with appropriate oversight arrangements and includes due diligence mechanisms in the selection process; basic clauses for the corresponding agreements; and United Nations principles to which they should adhere (e.g., child protection and environmental safeguards).

33. In addition, the Secretariat is at the early stages of planning for a high-level, top-down Secretariat-wide fraud risk assessment, which will be coordinated by the enterprise risk management function in collaboration with an outside expert. The study, which is planned to be finalized by mid-2017, will be based on tailored enterprise risk management techniques and aligned with the overall enterprise risk management framework of the Organization. To ensure the full participation of all functional areas of the United Nations, the Secretariat has put in place an advisory committee that is co-chaired by representatives of the Office of the Under-Secretary-General for Management and the Office of the Controller.

34. The completion of the anti-fraud risk assessment will contribute to the assurance process underpinning the statement on internal control (see paras. 35-39 below), covering one of the underlying principles of an effective internal control framework. It will also address the implementation of some of the recommendations issued on this subject by the oversight bodies, including on the review and rationalization of the current suite of policy and guidance material on fraud and other misconduct; the establishment of a central intake mechanism for recording staff grievances and suspected fraud; and the development of an integrated strategic approach to tackling fraud.

C. Statement on internal control

35. As outlined in the ninth progress report of the Secretary-General on the adoption of IPSAS by the United Nations (A/71/226), the Organization is pursuing the introduction of a statement on internal control based on an organization-wide assurance process.

36. While work continues on the development of the required deliverables and on defining the future global assurance processes, as a first step and as an integral part of these strengthening efforts, an Assurance and Monitoring Unit has been established in the Accounts Division of the Office of Programme Planning, Budget and Accounts. The Unit is responsible for undertaking activities aimed at providing reasonable assurance over the reliability of data flowing into financial statements and financial records. It regularly monitors transactions in Umoja, analyses potential for error, detects irregularities and ensures appropriate corrective actions by transaction owners or other stakeholders, as appropriate.

37. The roles assigned in Umoja are also reviewed periodically, which results in recommendations to strengthen the segregation of duties, delegations of authority and workflow rules in the system. An improved process flow will ensure that roles requiring delegated authority are assigned in strict compliance with regulations and rules of the Organization and in accordance with appropriate procedures.

38. In addition, the following actions will support the management of the Framework: the provision of guidance to managers on using the planned self-assessment checklists and the correction of any future internal control deficiencies found, and the preparation of monitoring dashboards to assess the performance of client departments, offices and missions.

39. In addition, to strengthen accountability, track data integrity and support compliance with related performance indicators, dashboards are being released for individual departments, offices and missions depicting the status of their transactions in terms of both monetary value and number of operations (including errors) relative to the total volume of transactions during one year.

D. Internal controls in the procurement process

40. To enhance internal controls in the tender submission process, the Procurement Division launched an e-tendering pilot project in 2014. The Division continues to realize the benefits of e-tendering, which include the delivery of tender

documents to invited vendors through their United Nations Global Marketplace accounts; the efficient and secure transmission of tender questions, answers and acknowledgements; and the Global Marketplace-integrated submission of offers by the suppliers and the electronic opening of suppliers' submissions.

41. Annual self-evaluation and assessment reviews performed at Headquarters and at the missions are yet another way to strengthen internal controls. Reports containing recommendations aimed at enhancing adherence to the Financial Regulations and Rules, the Procurement Manual and other administrative instructions, and internationally recognized best practices in procurement, are shared with administrative and functional heads. Since 2007, in addition to the annual self-evaluation reviews conducted at Headquarters, a total of 71 assessment reviews have been completed at peacekeeping missions. By strengthening the internal control framework for procurement activities, the Organization mitigates the risk and impact of inefficiencies, ethical violations and other improprieties.

E. Accountability and internal controls at peacekeeping missions

1. Letters of representation

42. Directors and chiefs of mission support, as chief fiduciaries of peacekeeping operations, continue to be required to submit letters of representation stating that they have properly exercised the delegation of authority granted to them in compliance with the Organization's regulations, rules and administrative issuances. All letters of representation received from peacekeeping operations indicate that chief fiduciaries have managed the resources placed under their stewardship in compliance with the applicable United Nations regulations and rules.

2. Conduct and discipline

43. Peacekeeping and special political missions continue their efforts to prevent and respond to all forms of misconduct, in particular sexual exploitation and abuse, by their personnel. This remains a high priority. Peacekeeping and special political missions continue to implement the programme of action, which was initially set out in the 2015 report of the Secretary-General on special measures for protection from sexual exploitation and sexual abuse (A/69/779). Further augmented measures, together with a series of initiatives, designed to strengthen prevention, enforcement and assistance to victims were provided in the subsequent report of the Secretary-General on that topic (A/70/729). A number of these initiatives are aimed at strengthening accountability at the individual, managerial/command and leadership levels. A full update will be provided in the context of the next report of the Secretary-General on special measures for protection from sexual exploitation and sexual abuse, to be issued during the second resumed part of the seventy-first session.

44. The Department of Field Support continues to monitor the implementation of the policy on accountability for conduct and discipline in field missions, adopted by the Department of Political Affairs, the Department of Peacekeeping Operations and the Department of Field Support in August 2015. The policy sets out the structure that is in place to ensure accountability for the conduct and discipline of all personnel serving at peacekeeping and special political missions. The policy is

complemented by an accountability framework that details the methodology for the assessment of the accountability of field missions and their senior managers, as well as corresponding support to be provided by conduct and discipline personnel, through a series of indicators and corresponding expectations concerning the performance of activities related to prevention, enforcement and remediation.

45. At the beginning of 2016, electronic reporting templates were introduced for the quarterly and annual reports submitted by peacekeeping missions as required under the policy and accountability framework. Those templates include streamlined and more targeted questions, allowing for the collection of more accurate data on relevant indicators, which, once analysed, enable feedback to be provided to peacekeeping missions on issues of concern and best practices identified in connection with the indicators.

46. Annual quality assurance exercises, regular updating of the status of open cases and the re-examination of possible reasons for delay or inaction have led to a significant reduction in the number of reported cases of misconduct awaiting action. In February 2016, the technical interface was activated between the Misconduct Tracking System maintained by the Department of Field Support and the system used by the Department of Peacekeeping Operations for the deployment of military and police contingent personnel, to allow vetting for prior misconduct against information recorded in the System. With vetting now being done for military and police contingent personnel, all personnel deployed at peacekeeping and special political missions are now subject to the same vetting process, which is designed to ensure that personnel previously found to have committed misconduct do not serve again in the United Nations.

3. Enterprise risk management at peacekeeping missions

47. During the past year, the Department of Peacekeeping Operations and the Department of Field Support completed the first phase of the implementation of enterprise risk management. During this phase, three peacekeeping missions (the United Nations Interim Force in Lebanon, the United Nations Mission in Liberia and the United Nations Interim Administration Mission in Kosovo) and the United Nations Global Service Centre initiated risk treatment plans to respond to the risks identified in the risk registers. Implementation at the United Nations Support Office in Somalia was delayed, owing to a change in mandate pursuant to Security Council resolution 2245 (2015), for which an additional assessment was required to take into account the revised mandate. The Departments also conducted the annual workshop for mission risk management focal points at the Regional Service Centre in Entebbe, Uganda, in April 2016. The workshop was attended by 29 participants from peacekeeping operations, special political missions, the Global Service Centre and the Regional Service Centre.

48. During 2017, the Department of Peacekeeping Operations and the Department of Field Support will continue the phased implementation of enterprise risk management, with emphasis placed on missions operating in high-risk environments, particularly those in the start-up and transition phases. Both Departments have taken measures to strengthen risk management capacities at missions, including developing terms of reference for Risk Management Officers and Compliance Officers and the mission enterprise risk management committee;

establishing rosters for Risk Management Officers and Compliance Officers, and advising peacekeeping operations to assess their risk management capacity and submit a proposal for resource requirements for the financial period 2017/18.

F. Improving ethical standards

49. During the reporting period, the Ethics Office received more than 1,100 requests for services, which included 622 requests for confidential ethics advice, the highest number ever recorded. The trend of growing numbers of requests by staff members for advice on the Organization's ethical standards indicates their commitment to ethics and integrity. Upon request, the Office also continued to provide advice on due diligence, reputational risk and best practices in anti-corruption programmes in procurement. The Office regularly assists in establishing and implementing measures to enhance pre-appointment reviews of senior positions for conflicts of interest. The Director of the Office continued to conduct confidential ethics induction briefings for incoming and newly appointed officials at the Assistant Secretary-General and Under-Secretary-General levels.

50. For the 2015 confidential financial disclosure exercise, the external reviewers identified and advised on 194 items of potential conflicts of interest. The review was based on 5,440 staff members from participating agencies, with an overall compliance rate of 99.9 per cent. In addition to meeting their confidential financial disclosure requirements, 111 of 152 senior officials (73 per cent) participated in the 2015 voluntary public financial disclosure, compared with 103 of 151 (68 per cent) in 2014.

51. In relation to requirements under the newly adopted IPSAS, the Ethics Office provided significant support in developing relevant methodology for vetting key management personnel of the Secretariat for conflicts of interest in respect of related-party transactions. The Office completed vetting exercises pertaining to such officials during two review cycles. The Office also completed preliminary reviews of 23 claims of retaliation for protected activities and determined 6 of them to be prima facie cases.

G. Improving the performance of personnel

52. The General Assembly, in its resolution 70/255, requested the Secretary-General to implement specific measures to strengthen the accountability system as it relates to the performance of staff, emphasizing the performance of senior managers.

1. Senior managers' compacts

53. The senior managers' compacts detail — in a clear, transparent and precise manner — the major areas of responsibility for senior leadership in the Secretariat, in terms of both the unique programmatic responsibilities of each senior manager and the standard managerial duties applicable to all of them. The responsibilities described therein pertain to management at all levels and, ultimately, to staff and are reflected in their annual workplans. Although it is subject to change by the incoming

Secretary-General, the template for the 2016 compacts included the following areas of responsibility:

(a) Delivery of expected results towards the unique programme objectives contained in the biennial programme budgets and, if relevant, the support account and peacekeeping budgets;

(b) Delivery of three to five high-priority results that are specific to each senior manager and that help him or her to implement a programme or longer-term objectives;

(c) Implementation of the annual deliverables required by the multi-year management reform agenda, which in 2016 fell into the following categories:

(i) Deployment/consolidation/stabilization of Umoja;

(ii) Development of a global service delivery model;

(iii) Compliance with and sustainability of IPSAS;

(iv) Compliance with the information and communications technology strategy, including its governance, policies and processes;

(v) Requirements related to the launch of mobility;

(vi) Risk management;

(d) Financial resources management;

(e) Human resources management;

(f) Implementation of oversight body recommendations;

(g) Timely issuance of official documentation;

(h) Compliance with regulations and rules;

(i) Compliance with ethical standards.

Senior managers' compact for heads of mission

54. In response to a recommendation of the High-level Independent Panel on Peace Operations, the Department of Peacekeeping Operations and the Department of Field Support have refined the template of the 2016 senior managers' compact for heads of mission to reflect their overall responsibilities. The refinements include: (a) a new objective on gender mainstreaming, as requested by the Security Council in its resolution 2242 (2015); (b) strengthened language on conduct and discipline to reflect the introduction of the accountability framework on conduct and discipline and the related reporting requirements; and (c) a new commitment in the area of the environment to reflect the requirement to integrate and mainstream environmental planning considerations into mission operations.

Compact assessments

55. Through the annual compact assessment process, the Management Performance Board identified compliance with recruitment timelines as a systemic area of weakness for senior managers, and therefore asked the Office of Human Resources Management to conduct a review of the recruitment process to identify

bottlenecks. The Office found that manual screening and the often high numbers of applicants were significant problems for hiring managers.

56. As a result of that finding, and as indicated in the report of the Secretary-General on the overview of human resources management reform (A/71/323), the Secretary-General piloted a centrally administered assessment project with the goal of reducing the recruitment timeline, in particular the time taken by hiring managers to recommend candidates. As explained in paragraph 39 of the report, the project entailed the introduction of an unproctored Internet-based preselection test for eligible candidates for specific job openings within the Management and Administration Network (MAGNET). As part of the project, the candidates screened in by Inspira on the basis of eligibility requirements were invited to the preselection test. Those candidates who passed the preselection test had their suitability screened by hiring managers. Through that approach, the number of applicants who had to be reviewed by hiring managers was reduced by 50 per cent before long- and shortlists of candidates were established, and the time taken to recommend candidates was thus cut down by a significant margin. Furthermore, as reported in paragraph 41 of the report, the Secretary-General plans to expand the use of Internet-based preselection tests, as their use has proved most effective when applied to job openings that draw high numbers of applicants. This assessment approach is currently being applied to the job openings within the new staff selection and managed mobility system under administrative instruction ST/AI/2016/1.

57. Another systemic weakness identified through the annual compact assessment process relates to the representation of women, in particular at senior levels. To address this issue, the new 2030 gender equality and parity strategy, which is aimed at achieving 50/50 gender representation in the Professional and higher categories by 2030, requires a new methodology for determining gender targets in the senior managers' compacts. Whereas the current methodology bases the annual customized targets on each department's or office's performance in the previous cycle, the new methodology will identify annual targets that clearly lead to 50/50 parity. The Office of Human Resources Management will proactively provide data to departments and offices that demonstrate opportunities for improvement, for example, by identifying anticipated retirements.

2. Performance management of staff at all levels

58. As detailed in paragraphs 77 to 95 of the recent report of the Secretary-General on the overview of human resources management reform (A/71/323), a two-phased approach to reforming performance management is proposed. In that approach, first the credibility and reliability of performance evaluations are strengthened and, subsequently, performance becomes an explicit criterion that determines the career progression of staff members and managers. In phase one, which is expected to be implemented between 2017 and 2019, the Secretary-General proposes to focus on three areas for improvement of the accuracy and credibility of performance evaluations: (a) improving the ability of managers to manage performance; (b) providing increased human resources expertise and support; and (c) increasing the objectivity, transparency and consistency of the performance management system (see A/71/323, para. 85).

59. Phase two of the performance reforms would begin in 2019, involving the revision of policies on performance management, staff selection and related areas to explicitly include performance as a key criterion for lateral placement under managed mobility and promotion of staff members and any performance incentives recommended by the Assembly (see A/71/323, para. 95).

60. In support of those efforts, performance management data have been made available to all departments, offices and missions through the publication of a pilot end-of-cycle report, supported by the new performance management dashboard launched in HR Insight in 2015. The end-of-cycle report is a mechanism by which managers and staff can see overall trends in the Secretariat in terms of completion rates and rating distribution. It highlights rating trends and patterns, by level and entity. The aim of such transparency is to enable individual managers and staff, as well as senior management teams, staff unions and others, to have real data and foster more objective discussions on how ratings are given. Comparative data from across the Secretariat will help to inform the discussions of senior managers and provide guidance on how ratings may need to change in their own departments.

61. Additional efforts are focused on strengthening the role of senior management with the roll-out of the organizational leadership model, which sets out clear expectations for managers with regard to how to manage their staff, depending on their roles in the Organization. Managers will be held accountable not only for completing the e-performance document, but also for truly managing their staffs. The Secretary-General is also ensuring that all incoming Assistant Secretaries-General and Under-Secretaries-General are briefed on the importance of accountability for effective performance management in their departments/offices/missions and of complying with established timelines.

62. To support the implementation of the Performance Management and Development System, the Secretary-General continued the roll-out of a more targeted and streamlined version of the mandatory Performance Management and Development Learning Programme for Managers and Supervisors (see ST/SGB/2011/5). Since January 2015, when the revised Programme was launched, more than 3,000 staff members have been trained, 57 of whom have been Directors and 18 of whom have been Assistant Secretaries-General and Under-Secretaries-General. The Programme reinforces best practices in performance management and emphasizes the linkage between individual workplans and mandates of the Organization, as well as the need to effectively address underperformance. The Programme belongs to a suite of supervisory and managerial development programmes that are aimed at, inter alia, increasing managerial accountability. In order to ensure maximum accessibility and continuous learning, an e-learning version for staff at large was launched in 2016.

3. Taking corrective actions

63. As an internal check on managerial decision-making, the Management Evaluation Unit has continued to conduct impartial and objective evaluations of administrative decisions to assess whether they were made in accordance with the relevant regulations and rules, and has made recommendations for remedies or the initiation of accountability measures, where appropriate.

64. The Management Evaluation Unit has also provided advice and guidance on the relevant regulations, rules and jurisprudence, including through outreach missions, video- or teleconferencing, participation in Office of Human Resources Management training on performance management and the publication of lessons-learned guides. In 2016, the Unit published volumes 4 (performance management and development) and 5 (managing organizational change (retrenchment, restructuring, downsizing and abolition of posts)) of its lessons-learned guides.

65. In respect of the disciplinary measures handled by the Office of Human Resources Management, from 1 July 2015 to 30 June 2016 a total of 67 disciplinary actions were taken regarding 67 staff members in 63 incidents. The three largest categories of incidents were related to fraud or misrepresentation (20 cases, or 30 per cent), theft or misappropriation (13 cases, or 19 per cent) and assault or abusive conduct (10 cases, or 15 per cent).

66. Of the 20 staff members involved in cases of fraud or misrepresentation, 16 were either dismissed or separated from service and 4 were subjected to other disciplinary measures (including demotion, loss of step(s), fine and censure). Of the 15 staff members involved in theft or misappropriation, 14 were either dismissed or separated from service and 1 was subjected to other disciplinary measures. Of the 11 staff members facing charges of assault or abusive conduct, 10 were either dismissed or separated from service and 1 was subjected to other disciplinary measures.

67. For further details, see annex II.

IV. Increased financial information available for the management of common support services

A. Budget and finance

68. Umoja Extension 1 has already brought about significant improvements in the availability of information for better decision-making. It provides real-time information on budget consumption and fund availability across entities and funding sources, and, as a result, the Organization has a better view of its spending. The forthcoming Umoja Extension 2 will include the cycle of programme planning, budgeting, monitoring of programme implementation and reporting.

69. With regard to extrabudgetary resources, Umoja serves as a central repository of all contribution agreements and permits the visibility of current and future inflows. Umoja has strengthened compliance with donor agreements, improved tracking of the performance of implementing partners, automated the allocation of interest to grants and provided capability for improved management of programmes and projects. Umoja has also allowed for improved tracking of implementing partners; the Secretariat is now able to capture the agreements with its implementing partners, which assists in monitoring their performance and settling financial transactions.

70. Business intelligence reports have also been made available in Umoja to assist departments and offices in monitoring their expenditures and planning their work for a particular financial period. These reports cover, for example, budget

performance and vacancies by leveraging information and data from Umoja and Inspira to provide a picture of the financial situation of a given budget section. The availability of "obligation" reports in the current system allows entities to monitor open and closed commitments (obligations) during a financial period to ensure that the committed funds are used during that period.

71. The financial statements module, which serves as the backbone for compliance with IPSAS, was launched for peacekeeping operations in August 2016. The module was designed to automate the preparation of financial statements using Umoja, to replace a cumbersome process across several systems and multiple spreadsheets and Word documents, and to reduce the possibility of errors. The module will be applied to all other operations in January 2017.

B. Human resources

72. Umoja has brought about real-time visibility with respect to global personnel data. It is now an important consolidated source of operational information concerning human resources. HR Insight, which has provided staff demographic information (including on desirable ranges, staff list by nationality and composition by gender) to Member States since its introduction in 2011, continues to be enhanced to meet evolving human resources needs.

73. HR Insight is also used to report on how the Organization is performing in respect of the five strategic management indicators included in the human resources management scorecard. This accountability and monitoring framework has been designed to help managers achieve their human resources management objectives with regard to a number of indicators, including the five strategic indicators, related to gender equality, geographical representation, vacancy rates, staffing timeline and performance management compliance. HR Insight also contains a number of operational reports for specific business units, such as the Field Personnel Division of the Department of Field Support, and on e-learning and performance Management.

74. In addition, the Secretariat continues its practice of making available on iSeek most senior managers' compacts and their corresponding assessments.

C. Central support services

1. Real estate module in Umoja

75. The implementation of the Umoja real estate module has provided the Secretariat with an accurate and comprehensive view of the owned, leased and donated right-to-use real estate holdings of the Organization, across all duty stations and field missions. The availability of centralized real estate data, with increased visibility and access to real-time transactions, ensures better management and improved decision-making in the area of real estate. It is now clear that the Organization's real estate portfolio is managed by 65 entities with a footprint in 150 countries, consisting of 47,000 architectural objects, including some 5,800 buildings and 1,890 sites. The management of these data in the Umoja real estate module requires the use of common terminology, metrics, measures and contractual terms,

which bring greater homogeneity to the related administrative processes and bring the Organization closer to achieving the goal of "one United Nations".

76. In addition, lease administration is being carried out in a standardized manner in all locations and there is full visibility of all cost recovery transactions. For example, a single report generated through Umoja shows that in 2016 the United Nations managed more than 1,200 active leases, including 311 lease-out contracts, under which the United Nations is the landlord, with projected annual rental income of $30,879,770.

77. The Umoja real estate management module also meets IPSAS requirements with respect to disclosure, capitalization, depreciation and asset disposal. This is achieved by tracking all United Nations assets using a centralized database and managing an end-to-end process that ranges from the solicitation and bidding exercise to the disposal of the asset at the end of its useful life.

2. Travel management

78. An integrated global system provides for real-time analysis of travel information and costs. Users and travel managers can better assess performance through standardized key performance indicators, gain access to airline ticket prices and itineraries, and see average costs per ticket, top routes and costs per transaction. Users can monitor advance purchases of tickets, gain access to global price information with respect to airline tickets, make more informed and cost-effective decisions, and reduce delays in the processing of travel requisitions. Travel regulations, rules and policies are embedded in the global system to support compliance.

3. Procurement

79. Umoja has allowed for the implementation of a global procurement operating model in the Secretariat. Through master data management, 31,000 unique suppliers for all Secretariat entities are currently consolidated in a common database. A global commercial suppliers' database, combined with rigorous codification of the types of goods and services procured by the Organization, reinforces transparency in procurement. It also improves opportunities for negotiating more favourable terms for the Organization. The Procurement Division has harmonized contracting documentation (purchase orders and solicitation documentation) into a single form used in all locations, and has created a global system that processes the workflow regardless of locations and organizational units.

80. The procure-to-pay process introduced with Umoja has the potential to yield discounts from vendors, such as prompt payment discounts with increased ability to monitor the verification of goods and services, the certification of invoices and the status of payments, in those cases in which the Organization has negotiated such clauses with the vendors. However, the realization of such benefits will depend on diligence in receipt and inspection, certification, invoice-processing and disbursements on the part of the staff members responsible for those processes. In addition, better contract management through the consolidation of some 3,200 systems and local contracts has the potential to prevent duplicative procurement.

4. Technology and data management

81. An important change introduced by Umoja is related to the retirement of several legacy systems. In addition to savings in terms of hardware, software and related human resources, the ensuing simplification of the information technology systems and support landscape is facilitating the implementation of the information and communications technology strategy. As additional business intelligence capabilities are implemented, more benefits are anticipated as a result of better aggregation of data and a reduction in the number of reporting databases.

5. Global guidelines for the management of construction projects

82. In its resolution 69/262, the General Assembly requested the Secretary-General to ensure that best practices and lessons learned from the strategic capital review were disseminated among duty stations. In response to that mandate, and to ensure a consistent approach to all construction projects in the Secretariat, the Department of Management developed global guidelines for the management of construction projects. The guidelines highlight the roles and responsibilities of various actors in successive phases of the construction process, with emphasis on control mechanisms for projects, especially in terms of risk management and the establishment and use of project contingency funds, among other matters.

V. Recommendations to the General Assembly

83. **The General Assembly is requested to take note of the progress made by the Secretariat in strengthening its accountability system, as described in the present report.**

84. **The General Assembly is also requested to consider changing the frequency of these progress reports from annual to biennial in order to provide the Secretariat with more time to implement measures on which it reports.**

Annex I

Risk treatment and response plans

Risk	*Action plan*					
1. **Organizational structure and synchronization** Corporate risk owner: Deputy Secretary-General	1. Use key opportunities to raise Member States' awareness of where structure does not support objectives	2. Strengthen existing internal controls to improve coordination, clarify functions and strengthen coordination mechanisms	3. Make more use of the strategic planning process to align departmental activities with organizational priorities			
2. **Organizational transformation** Corporate risk owner: Under-Secretary-General for Management	1. Prepare an articulated vision and target operating model for the Secretariat	2. Define department-level strategy and project plan	3. Prepare and properly monitor benefit realization plans	4. Define a common action plan encompassing all transformational initiatives	5. Develop a workforce plan considering the impact on staff of all the transformational initiatives	6. Ensure wide participation of departments in the design and implementation of centrally mandated standards and policies
3. **Strategic planning** Corporate risk owner: Chef de Cabinet	1. Make proposals to the General Assembly on how the strategic planning framework could effectively meet the needs of the Organization	2. Strengthen budget formulation processes	3. Ensure consistent application of procedures for the submission of programme budget implications to address new or expanded mandates	4. Accelerate the implementation of results-based management and enterprise risk management	5. Enhance the availability of management information for decision-making	

Risk	*Action plan*					
4. **Safety and security** Corporate risk owner: Under-Secretary-General for Safety and Security	1. Carry out a strategic review of the Department of Safety and Security and the United Nations security management system	2. Examine the strategic priorities of the Inter-Agency Security Management Network	3. Identify key duty-of-care issues	4. Develop and manage an occupational safety and health framework	5. Strengthen programme criticality decision-making	6. Secure sustainable funding for the Department of Safety and Security and the United Nations security management system
5. **Extrabudgetary funding and management** Corporate risk owner: Controller	1. Support the standardization of donor agreements	2. Formulate corporate guidance on selecting and monitoring implementing partners	3. Update internal control mechanisms that govern the administration of trust funds			
6. **Human resources strategy and accountability** Corporate risk owner: Assistant Secretary-General for Human Resources Management	1. Promote a common organizational mission, vision, set of values and culture	2. Develop a well-defined and holistic human resources management strategy				

Annex II

Cases of misconduct and related disciplinary actions (1 July 2015 to 30 June 2016)

	Category of misconduct	*Type of disciplinary action taken*			*Total No. of incidents*	*Total No. of staff*
		Dismissal	*Separation from service*	*Other disciplinary measures, including demotion/loss of step/fine/censure*		
1	Abuse of authority, harassment and discrimination			1	1	1
2	Sexual exploitation and abuse	2	1		3	3
3	Assault and abusive conduct	1	9	1	10	11
4	Fraud or misrepresentation	2	14	4	20	20
5	Theft or misappropriation	6	8	1	13	15
6	Misuse of United Nations assets		1	4	5	5
7	Unauthorized outside activities		1	3	4	4
8	Violation of local laws	1		1	2	2
9	Failure to honour private obligations			1	1	1
10	Other		2	3	4	5
	Total	**12**	**36**	**19**	**63**	**67**

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Letter dated 20 December 2016 from the Permanent Representative of the Russian Federation to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the text of a joint statement by the Ministers for Foreign Affairs of the Islamic Republic of Iran, the Russian Federation and the Republic of Turkey on agreed steps to revitalize the political process to end the Syrian conflict, in Russian and English, adopted in Moscow on 20 December 2016 (see annex).

I should be grateful if you would have this letter and its annex circulated as a document of the General Assembly under agenda item 31, "Prevention of armed conflict", and of the Security Council.

(*Signed*) V. **Churkin**

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Annex to the letter dated 20 December 2016 from the Permanent Representative of the Russian Federation to the United Nations addressed to the Secretary-General

[Original: English and Russian]

Joint statement by the Ministers for Foreign Affairs of the Islamic Republic of Iran, the Russian Federation and the Republic of Turkey on agreed steps to revitalize the political process to end the Syrian conflict

Moscow, 20 December 2016

The Ministers for Foreign Affairs of the Islamic Republic of Iran, the Russian Federation and the Republic of Turkey, meeting in Moscow on 20 December 2016, agreed on the following.

1. Iran, Russia and Turkey reiterate their full respect for sovereignty, independence, unity and territorial integrity of the Syrian Arab Republic as a multi-ethnic, multi-religious, non-sectarian, democratic and secular State.

2. Iran, Russia and Turkey are convinced that there is no military solution to the Syrian conflict. They recognize the essential role of the United Nations in the efforts to resolve this crisis in accordance with Security Council resolution 2254 (2015). The Ministers also take note of the decisions of the International Syria Support Group. They urge all members of the international community to cooperate in good faith in order to remove the obstacles in the way of the implementation of the agreements contained in these documents.

3. Iran, Russia and Turkey welcome joint efforts in eastern Aleppo, allowing for the voluntary evacuation of civilians and the organized departure of armed opposition. The Ministers also welcome partial evacuation of civilians from Fu'ah, Kafraya, Zabadani and Madaya. They are committed to ensuring the completion of the process without interruption and in a safe and secure manner. The Ministers express their gratitude to the representatives of the International Committee of the Red Cross and the World Health Organization for their assistance in the conduct of the evacuation.

4. The Ministers agree on the importance of expanding the ceasefire, unhindered humanitarian assistance and free movement of civilians throughout the country.

5. Iran, Russia and Turkey express their readiness to facilitate and become the guarantors of the prospective agreement being negotiated between the Syrian Government and the opposition. They invite all other countries with influence on the situation on the ground to do the same.

6. They strongly believe that this agreement will be instrumental in creating the necessary momentum for the resumption of the political process in Syria in accordance with Security Council resolution 2254 (2015).

7. The Ministers take note of the kind offer of the President of Kazakhstan to host relevant meetings in Astana.

8. Iran, Russia and Turkey reiterate tneir determination to fight jointly against ISIL/Daesh and Al-Nusra and to separate armed opposition groups from them.